

NEERJ BHAGAT & CO.
Chartered Accountants

MSMEs



Content

1. Definition of MSME
2. MSME Act 2006
3. Indian Economy and MSME
4. MSME Registration in India
5. MSME Benefits
6. What type of Business comes under MSME
7. MSME Funding and Loan
8. MSME Schemes
9. Udyog Aadhar
10. CGTMSE
11. Zed and MSME

Content

12. CLCSS and MSME

13. TREAD and MSME

14. TReDS and MSME

15. PM support for MSME Sector

16. Bank Loan for MSME

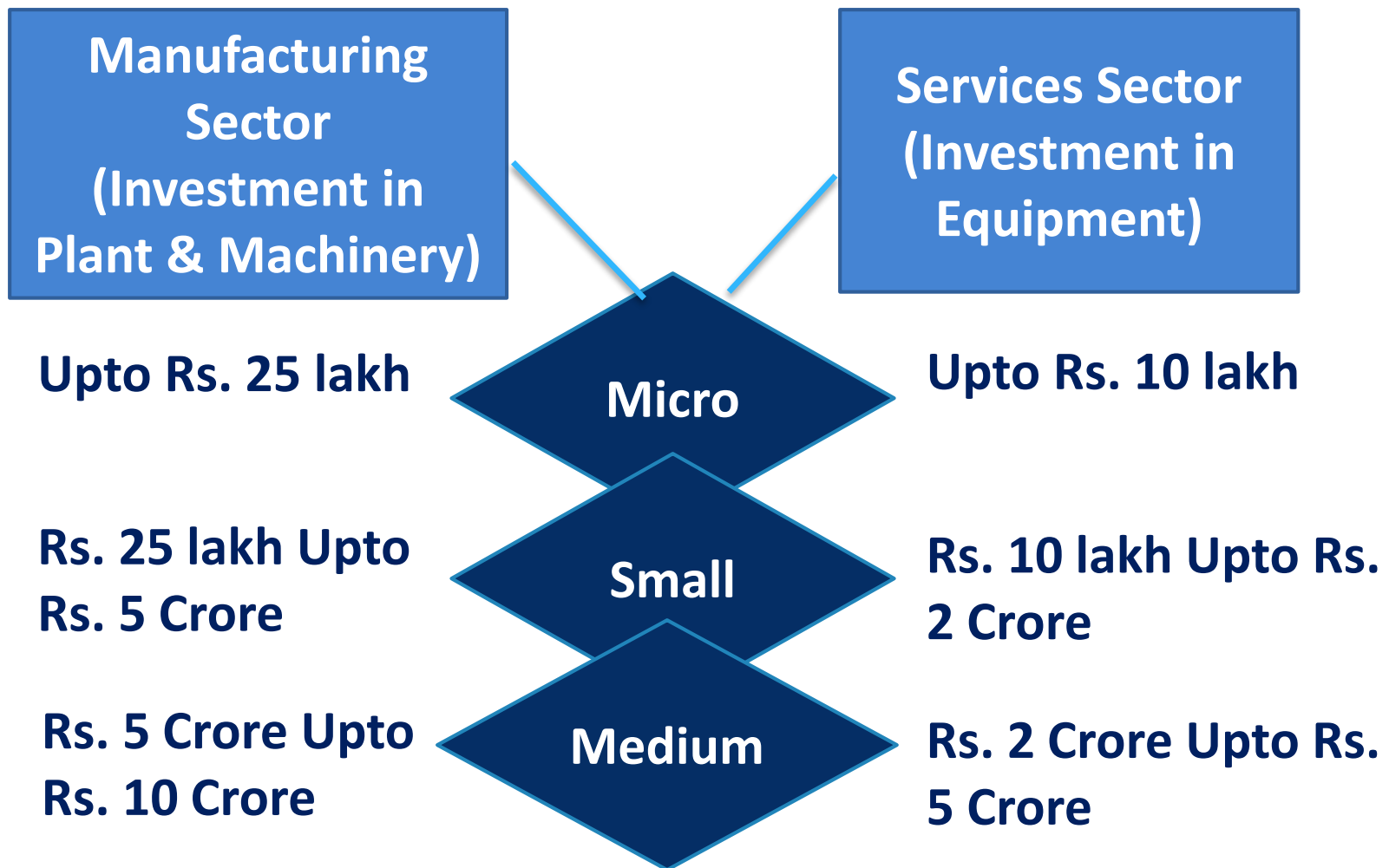
17. MSME Committee

18. MSME Statutory Compliances

19. Challenges faced by MSME Sector

Definition

Micro, Small and Medium Enterprises



Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

Promotion

Development

Competition

Inclusion of services sector

Extending scope of Medium Enterprise

Indian economy and MSME



Over 6000 products

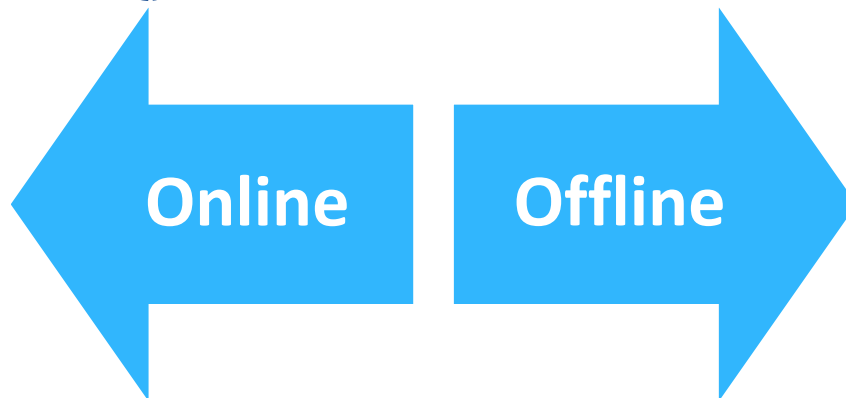
Employs 40% workforce

**6.11% of manufacturing
GDP**

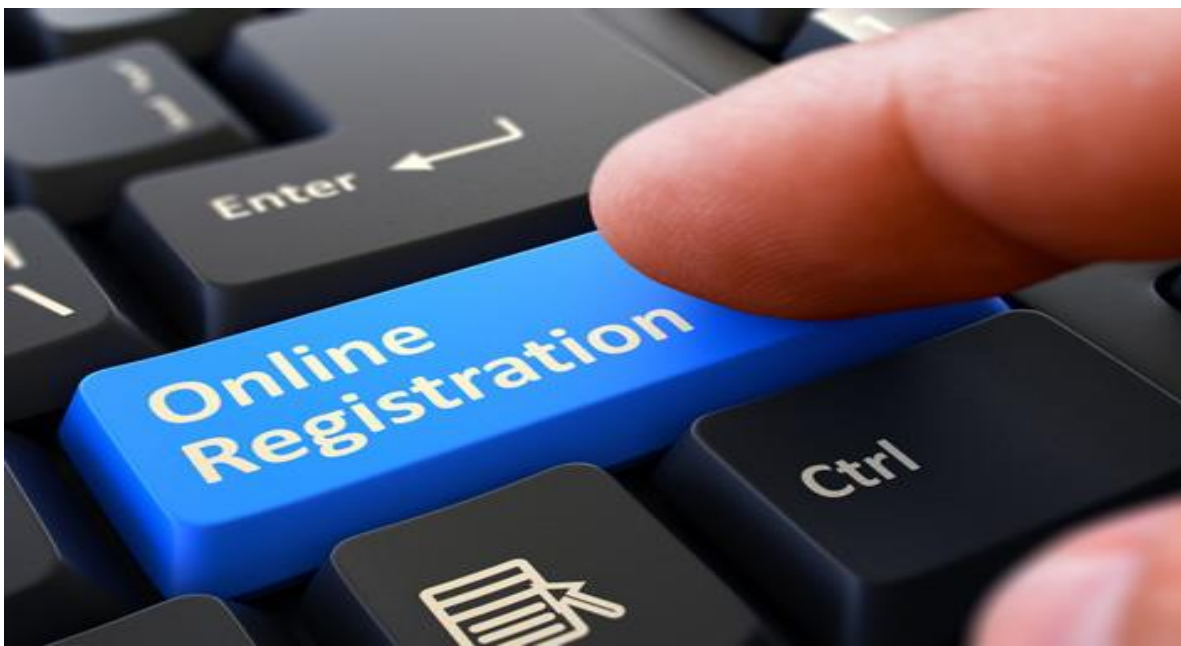
24.63% of services GDP

48.10% share in exports

MSME Registration in India



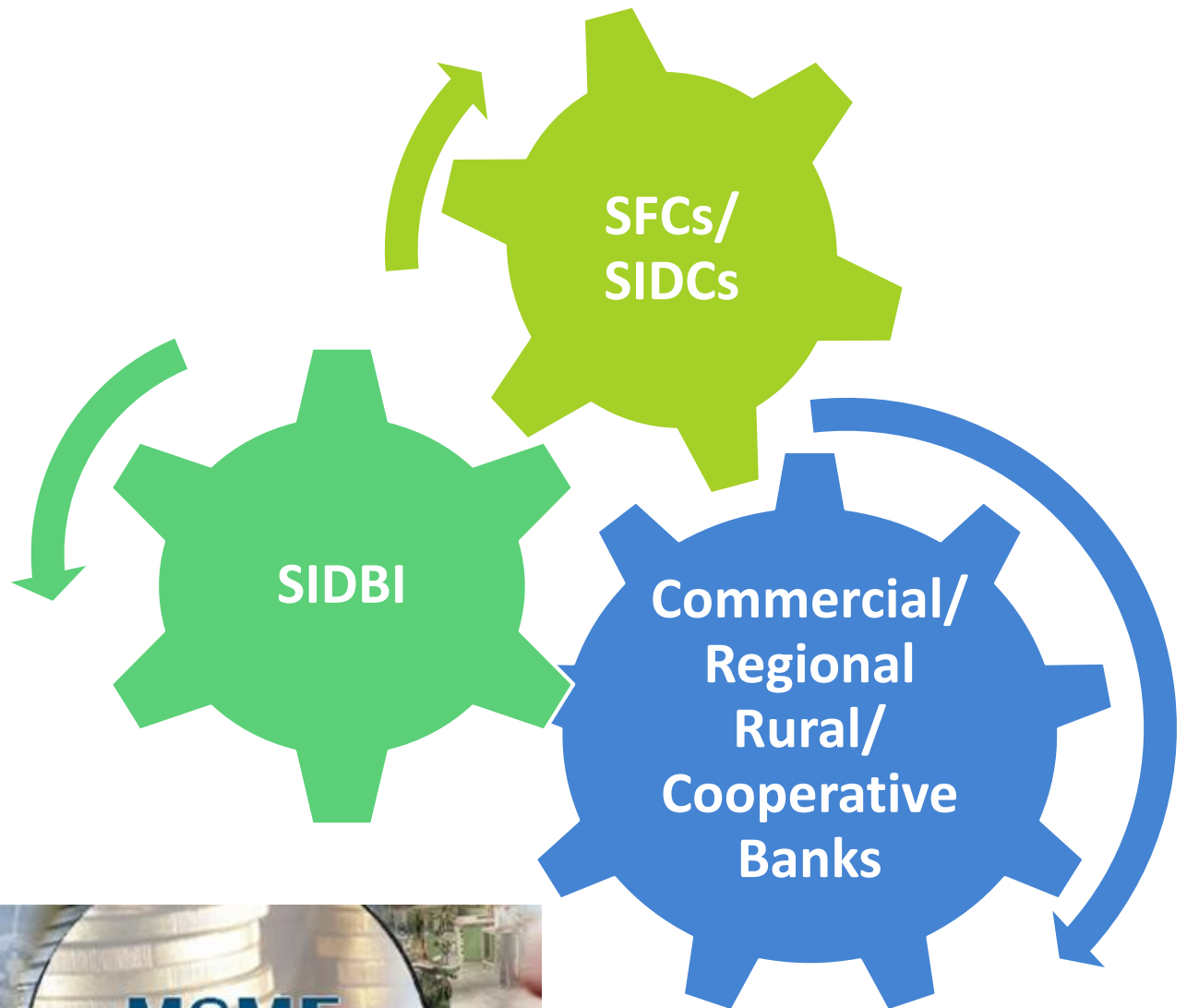
- Fill online form at UdyogAadhar website
- Registration for more than one industry – Individual registration
- Aadhar number, Industry name, Address, bank account details and some information.
- Self- certified certificates
- No fee



Benefits of MSME

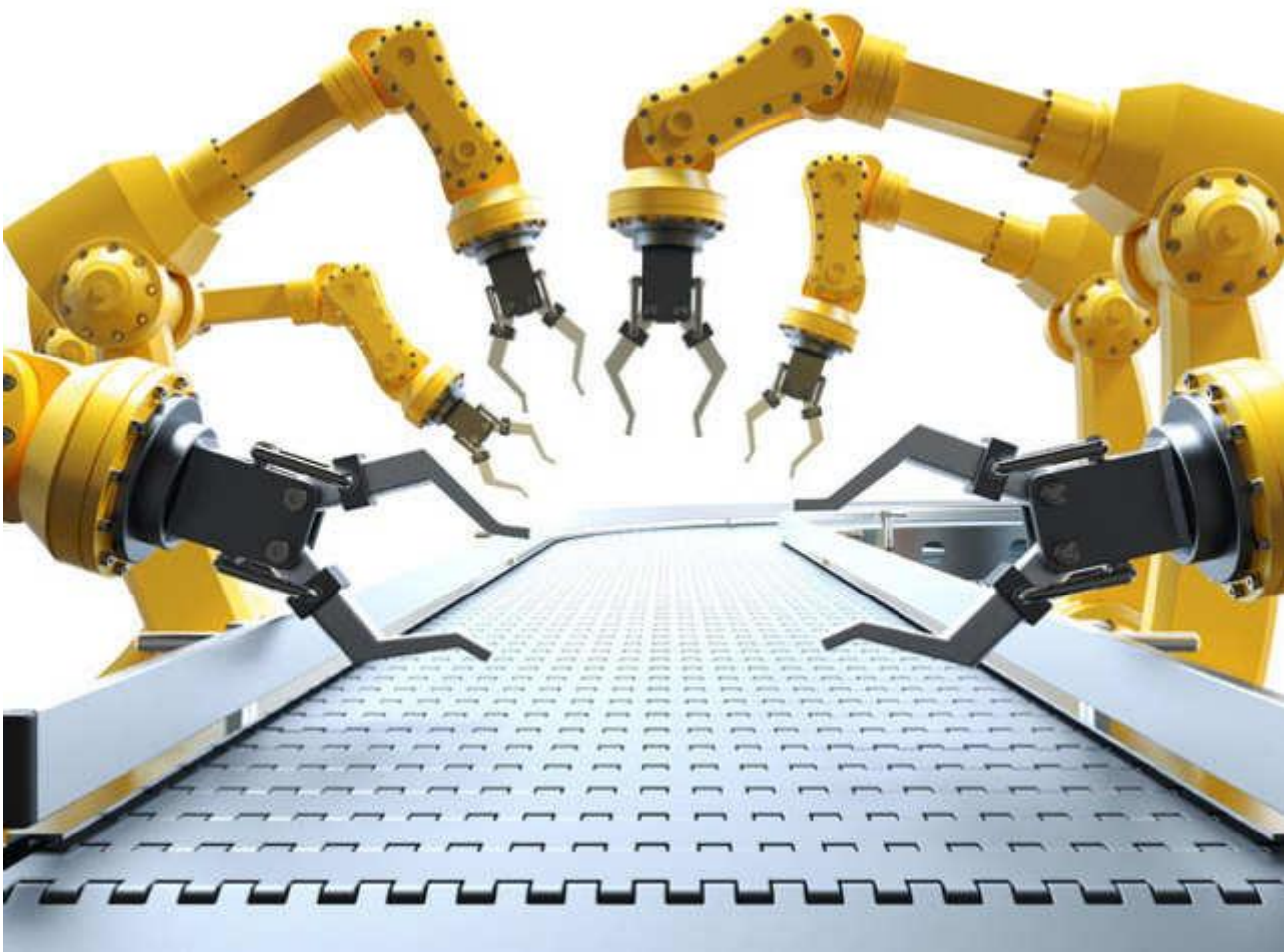
- Easy credit/ cheaper bank loans
- Various tax rebates/ MAT credit
- Government tenders
- Industrial Promotion Subsidy
- Low cost of setting up/ patent
- Govt. license preference
- One time settlement fee

MSME Funding and Loan



MSME Schemes

- More than 39,000 startups in India
- **Make in India-** facilitate investment, foster innovation, enhance skill development and build an Eco-system for manufacturing infrastructure
- **Startup India-** to build a strong ecosystem for nurturing innovation and design



Standup India

Bank loans - Rs. 10 lakh to Rs. 1 Crore

At least one SC/ ST borrower

At least one woman borrower

Repayable in 7 years

3457 business loans sanctioned

SIDBI Make in India Soft Loan Fund

Soft loans (quasi-equity)

Term loans on soft terms

To meet debt-equity ratio

Pradhan Mantri Mudra Yojana

Refinance support to banks/ MFI

For lending to micro units

Loan upto Rs. 10 lakh

Coir Udyami Yojana

Support to establishment of Coir units

Term loans for capex

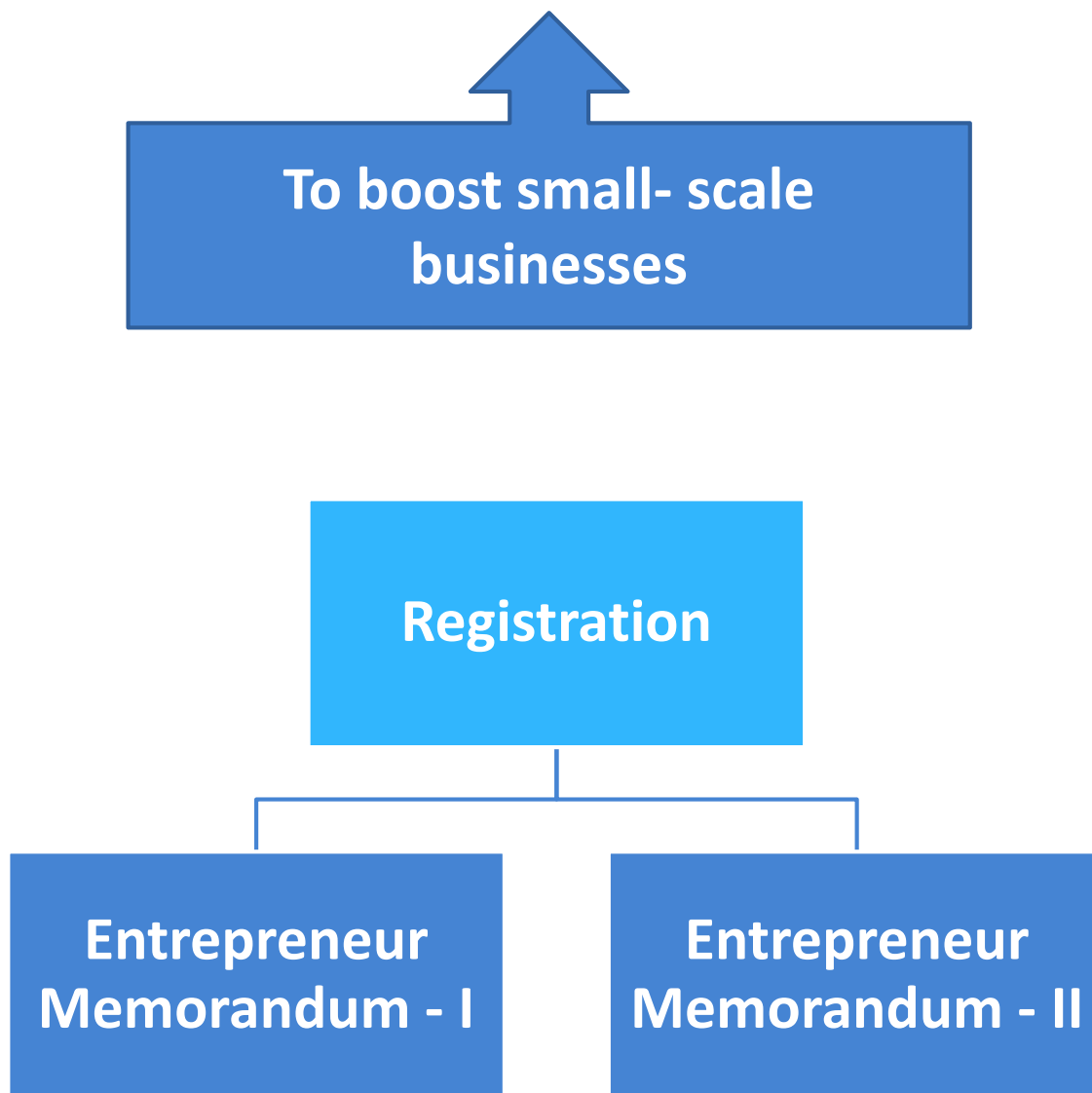
Cash credit for working capital

Credit Guarantee Scheme (CGS)

Strengthen credit delivery system

Facilitate flow of credit to the MSME sector

Udyog Aadhar



Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)

Assures the lender

That if MSE unit defaults

Trust will make good the loss to a certain portion

Collateral free Credit upto Rs. 2 Cr

Guarantee coverage upto Rs. 5 lakh

Guarantee coverage upto Rs. 1 Cr for Retail

ZED Scheme for MSMEs

- Financial Support to MSMEs in ZED Certification Scheme
- Promotion of **Zero Defect and Zero Effect (ZED)** manufacturing
- Develop an Ecosystem
- Promote adaptation of Quality tools/systems
- Manufacturing of quality products
- Upgrade their quality standards
- Adoption of Zero Defect production processes
- Support 'Make in India' campaign
- Develop professionals



ZEDTM
ZERO DEFECT • ZERO EFFECT

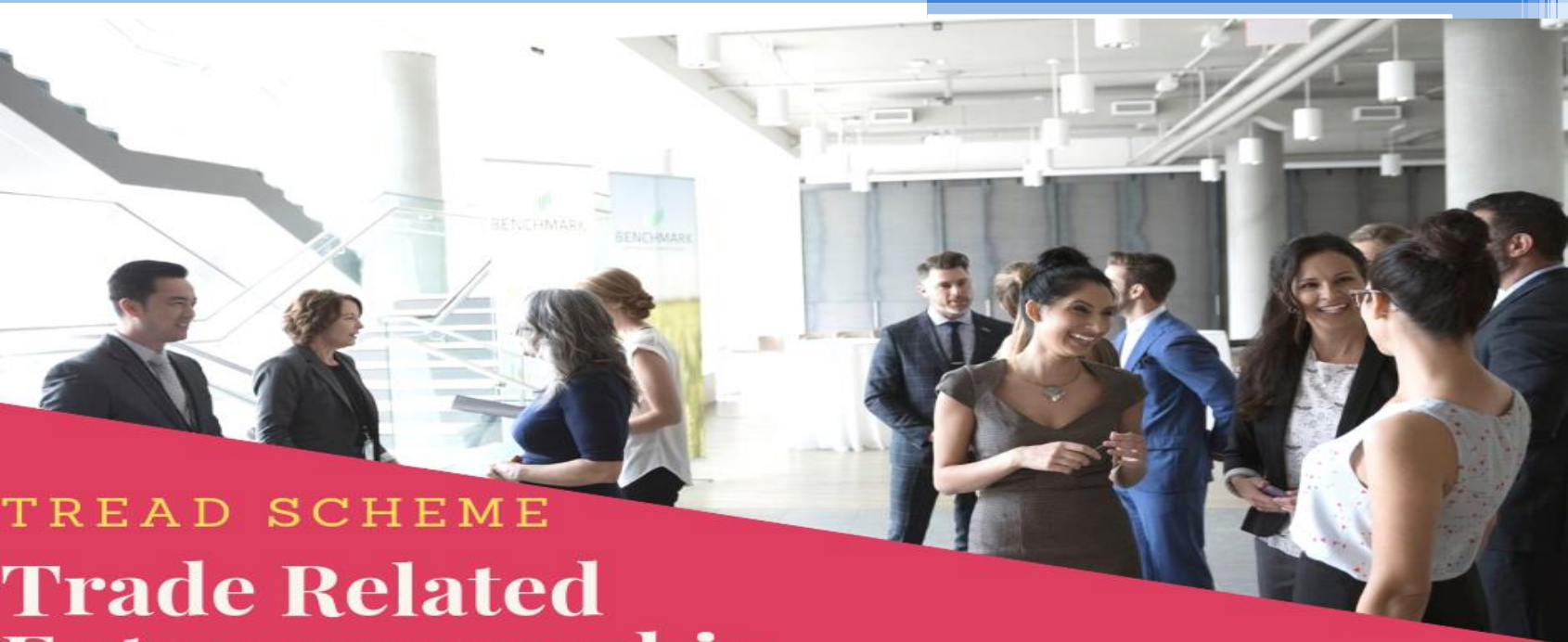
**CERTIFICATION
SCHEME**



Credit-Linked Capital Subsidy Scheme (CLCSS) and MSME

- Integrating ongoing technology upgradation efforts with CLCS
- Hand-holding ZED
- Increasing productivity through waste reduction, design intervention, cloud computing, facilitation of intellectual property, and nurturing new ideas.
- Capital subsidy of 15 percent to MSEs on institutional finance of upto Rs 1 crore





TREAD SCHEME

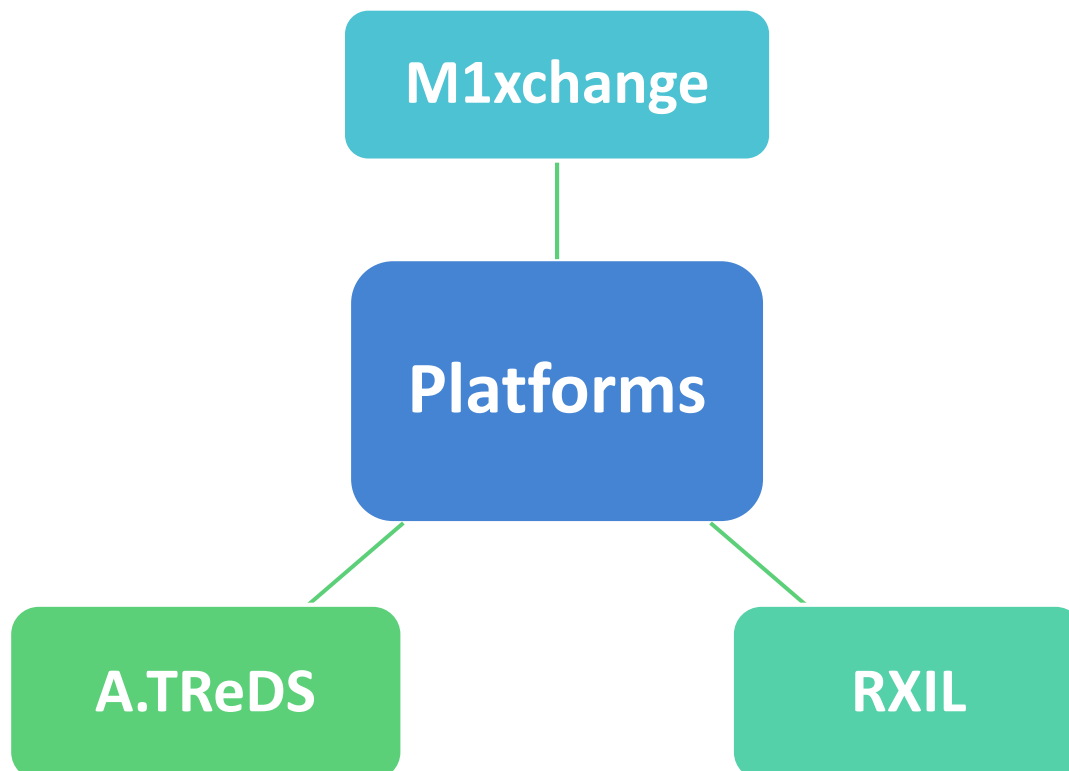
Trade Related Entrepreneurship Assistance and Development

Women Empowerment Scheme



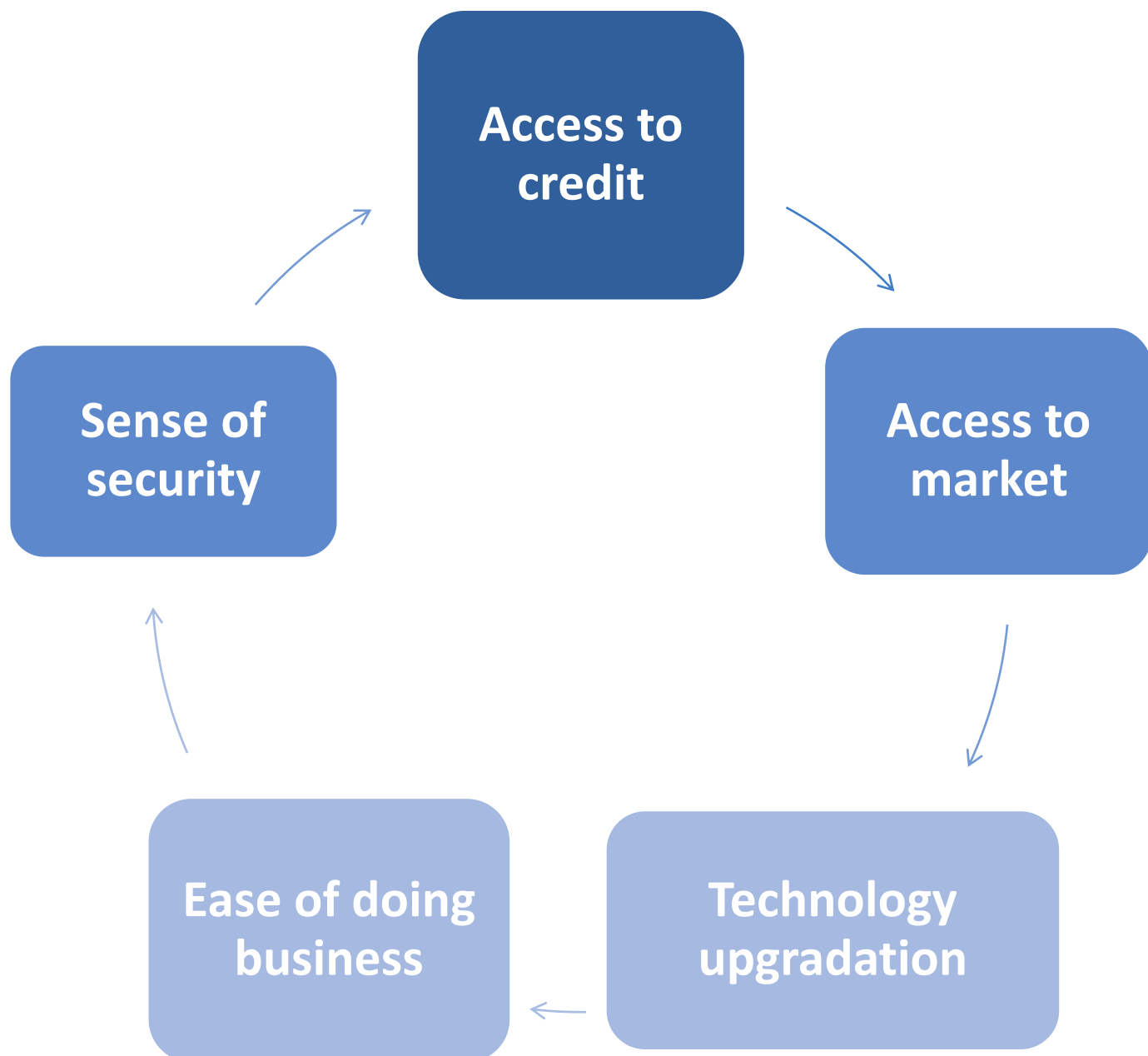
TReDS (Trade Receivables Discounting System) and MSME

- Online electronic institutional mechanism
- Financing of trade receivables of MSMEs through multiple financiers
- Discounting of invoices/bills of exchange of MSME sellers against large Corporates
- To ensure prompt realization of trade receivables at competitive market rates

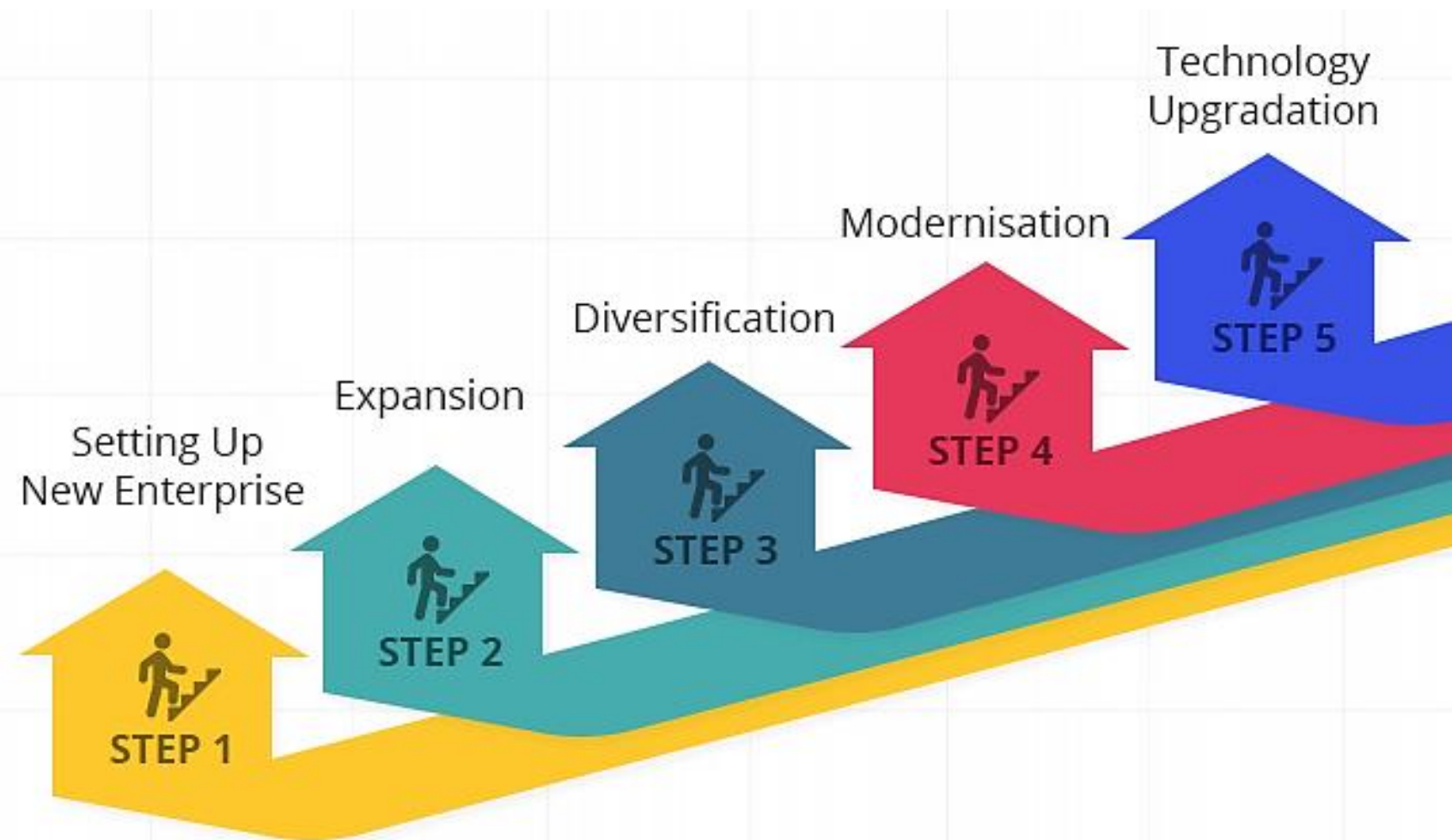


PM support for MSME Sector

- MSME Support and Outreach Program



Bank Loan for MSME

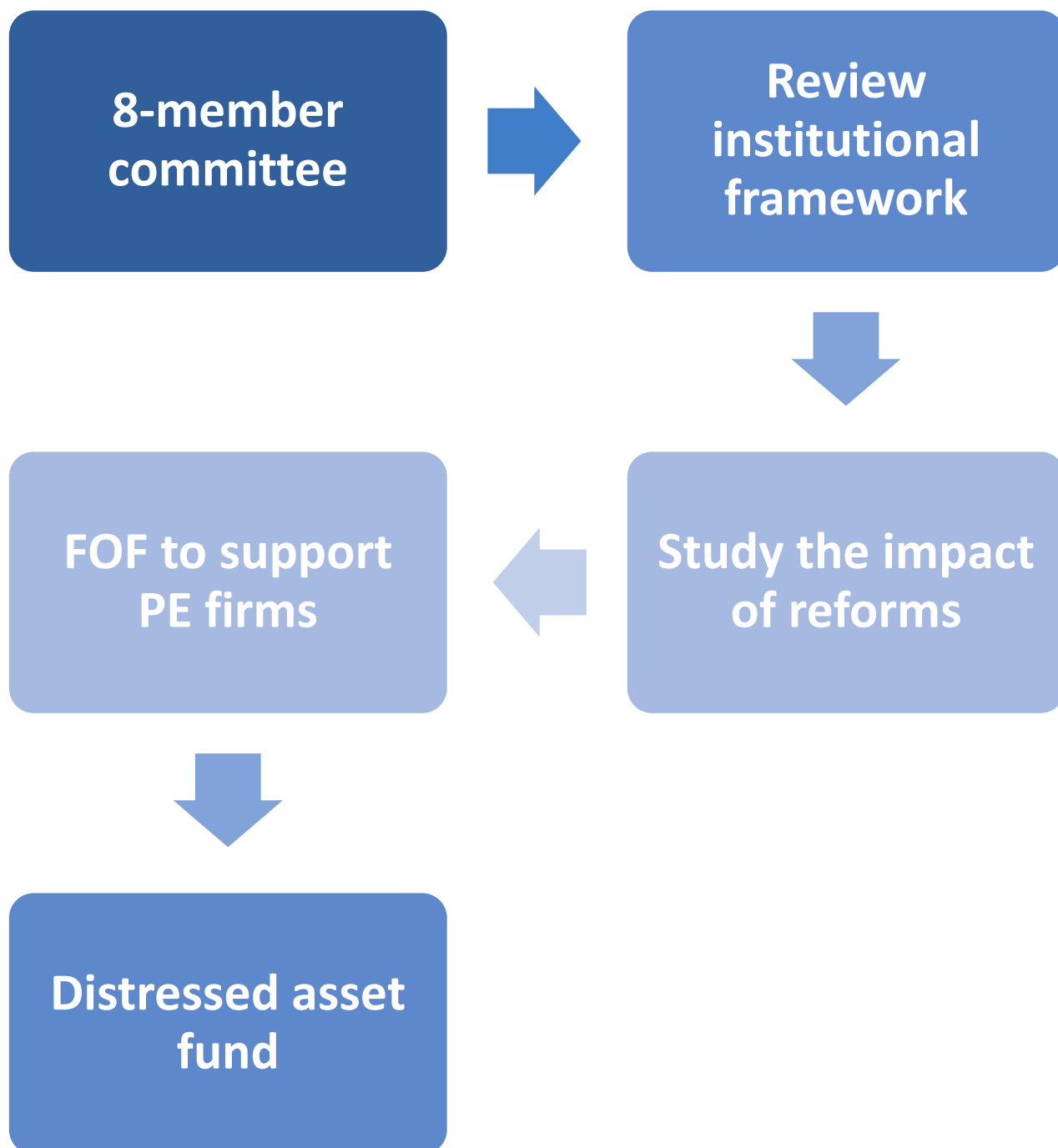


Bank Loan for MSME

- Acquisition of factory, land and construction of building spaces
- Purchase of Plant and Machinery
- Working capital requirements
- Trade Finance (Bill discounting)
- Launch of new product range, expansion of business, warehousing need, credit for marketing and advertising purpose
- Additional monitory assistance



MSME Committee



MSME Statutory Compliances

MSME Form 1

- Co. getting supplies
- Outstanding dues exceeding 45 days
- File return half-yearly

Register on TReDS

- Turnover > Rs. 500 cr
- To Discount trade receivables

IT Return Filing

- E-filing IT return by due date

GST Return Filing

- Turnover exceeding Rs. 20 lakh

Challenges faced by MSME Sector

- Non-availability of loan finance
- Low levels of technology
- Inadequate physical and economic infrastructure
- Truncated policy of product reservation
- High cost of credit
- High Collateral requirements
- Procurement of raw material at competitive cost
- Problems of storage, designing, packaging and product display
- Lack of access to global markets
- Lack of skilled manpower for manufacturing, services, marketing
- Multiplicity of labour laws and complicated compliance procedures
- Inability to tap equity market



About Us

NEERAJ BHAGAT & CO.
Chartered Accountants

We are prominent **Chartered Accountants in India**. We offer services in New Delhi, and other major cities in India, like accounts outsourcing, auditing, company formation in India, Business taxation, corporate compliance, starting business in India, registration of foreign companies, transfer pricing, tax due diligence, taxation of expatriates etc.

Neeraj Bhagat & Company is a team of distinguished **chartered accountant**, corporate financial advisors and **tax consultants in India**. Our firm of chartered accountants represents a coalition of specialized skills that is geared to offer sound financial solutions and advices. The organization is a congregation of professionally qualified and experienced persons who are committed to add value and optimize the benefits accruing to clients.

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Thank you !

